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S. A. D. 70

SECRET

ROUTING AND RECORD SHEET

INSTRUCTIONS: [illegible]

FROM:

NO. NSA 402

DATE

TO	ROOM NO	DATE RECD	DATE FWD	OFFICER'S INITIALS	COMMENTS
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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

X REF FORM FILED IN: _____

DEFERRED RECORDING

APR 18 1951

A. S. NACT INDEX

FORM NO. 51-19
FEB 1950

SECRET

Vienna

WAS-1-402

Chief of Station, Bern

11 April 1951

Chief of Station, Vienna

Operational

re: OPERATION STAUFFER

Reference: WAS-A-367

1. Attachment A is a rather lengthy account of the 28 March 1951 meeting in Zurich between STAUFFER, KITINGER (representing CIC Linz), and Jack MEIBLER (representing Detachment 35). The next meeting is due to take place in Salzburg before the end of April 1951.

2. It is very doubtful that either Detachment 35 or CIC will be able to maintain the STAUFFER contact much longer because G-2 refuses to allow them to trade current intelligence material with the SAD. The material passed this time consisted of reports on the Austrian Communist Party, originating from former Adolf HITLER complex, which is at least two years old and which is known to have been peddled to all western intelligence agencies. This kind of material will not be acceptable indefinitely to the Swiss. It is therefore imperative that if the STAUFFER contact is to be taken up by the Bern Station that the transfer take place fairly soon. A suggested method would be to have a Bern case officer appear at the next meeting (or a subsequent meeting) as a colleague of Jack MEIBLER of Detachment 35. It may be possible in this manner for a long time to keep the SAD from realizing that their contact is run from Switzerland.

3. Detachment 35 currently believes that it is keeping open the STAUFFER contact for us. Therefore, if Headquarters or Bern have no intention of taking up contact through the present USFA operation, we should notify G-2 USFA immediately in order to avoid hard feelings. Please notify us by cable as to what course of action Bern plans to take. If Bern is to take up contact, it will be important for Headquarters to consider the problem of information to be passed to the SAD.

4. You will note in Attachment A that material on Irene FLEISCHER was passed orally to Alfred [redacted]. Attachment B is a summary of this information. The original [redacted] police document from which the summary was made is being forwarded to Bern.

2 - [redacted] w/incls.
2 - Bern w/incls.
2 - Vienna w/incls.
2 - Salz w/incls.

[redacted]

Attachment 4
to AMS-A-402

SUBJECT: Operational Mission to Switzerland; 28, 29 & 30 March 1961

WS-1091
Ref: WS-1083
Date: 30 March 1961
Project: Ranger

GENERAL REPORT:

1. As arranged at an operational meeting held with the Staff Group, Detachment X, including the Chief of Operations, 430th CIC Detachment, S/A Fritz ETTINGER, CIC, Sub-Detachment "B", and 35176 (vice S/A BONK), proceeded to Switzerland to meet Mr. STAUFFER, and associates for the purpose of continuing contacts as outlined in previous reports. Travel to Zurich, Switzerland was accomplished by railroad and in the course of the trip neither Agent ETTINGER nor 35176 noted unusual occurrences.

PARTICIPATION OF STAUFFER, ZURICH, 1600 HOURS, 29 MARCH 1961:

2. Agent ETTINGER and 35176 appeared at the Bahnhof Restaurant, Zurich, at 1300 hours, 29 March 1961, where they found STAUFFER already waiting for them. The meeting had been arranged by dispatching a telegram, signed Dr. Oskar KOPP, from Salzburg on 26 March 1961, to STAUFFER at his Zuchler A.G., Switzerland address. STAUFFER's first statement was that he had arranged a meeting with Dr. (fnu) VIESER, Chief of the State Police, Section of the Cantonal Police, Basel, Switzerland. Agent ETTINGER and 35176, based on previous instructions, declined the invitation utilizing the excuse that they were forced to return to Austria that evening because of the press of business. STAUFFER exhibited great disappointment stating that he felt the meeting would be of greatest advantage to all concerned. According to STAUFFER, VIESER was one of the most active and dynamic members of the Cantonal Police and whose expressed desire for close cooperation with US intelligence should be seriously considered. STAUFFER stated, after receiving a final declination of the invitation, that he would contact VIESER by telephone in the course of the afternoon and express the regrets of Agent ETTINGER and 35176.

3. STAUFFER then stated that ARBEZ (fnu), mentioned in previous reports as an BAD liaison man, had arranged a lunch for Agent ETTINGER and 35176, and that BARTI, (fnu) Captain, also mentioned in previous reports, would be present. Agent ETTINGER then suggested that STAUFFER accompany him and 35176 to the Hotel Simplon for a conference prior to the lunch. STAUFFER agreed and, proceeding to the hotel, a short conference was held in which exchange of information was accomplished. At this time, previously cleared material as indicated, was exchanged and STAUFFER turned over information reports as indicated. STAUFFER produced the following material which was turned over with the following operational information:

a. "A Study of the Structure and Modus Operandi of the Soviet Police System", allegedly prepared by the Swiss Bundes Polizei, from interrogation of a Russian refugee. STAUFFER emphasized that the report was highly classified and had been obtained by surreptitious means from the Bundes Polizei. (Comment: Original report as received from STAUFFER is attached to the original copy of this report as Appendix "A".)

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b. Reports, attached to the original copy of this report as Appendix "B", consisting of four reports concerning the KPÖ and Revenge CM information, were received from STAUFFER who stated that they originated with an alleged member of the KPÖ Central Committee in contact with a collaborator (Swiss) of the SAD. STAUFFER explained that the SAD collaborator refused to disclose the name of the alleged Central Committee member but he (STAUFFER) offered to turn the identity over to Agent [illegible] by arranging a controlled meeting between the SAD collaborator and the Central Committee to enable US intelligence to control or take over the operation.

c. STAUFFER turned over a copy of a "news letter" type publication which characterizes information disseminated overtly to SAD subscribers. The content of the news letter is of no particular intelligence value, but is submitted as being of possible interest as Appendix "C" of this report.

d. Agent ETTINGER then turned over an Austrian identity card prepared for STAUFFER under the alias of KRAUSS Jakob. (A photostat of the document is attached as Appendix "D" of this report.)

e. At this juncture, Agent ETTINGER turned over to STAUFFER one each copies of the Oesterreichische Volksstimme (central organ of the KPÖ), covering the period 1 through 23 March 1951 as previously requested by STAUFFER.

f. 35176 then turned over material, original and copies of which are attached to this report as Appendix "E".

g. Agent ETTINGER then turned over material (original and copies, which are attached as Appendix "F"), and stated that he had some material pertaining to the request made previously by STAUFFER concerning FLEISCHNER and NOVIDVOM. STAUFFER then explained that the original request had originated with BENZ Dr., (fnu), of the Zurich Cantonal Police (mentioned in previous reports), and that a meeting had been arranged with BENZ later in the afternoon; indicating that Agent ETTINGER could submit the information directly to BENZ.

h. At this juncture, 35176 exhibited a copy of the publication Demokratie in Amerika (DIA), Presseadienst, Zeemis, Jan 15 Jahre 1951 (Comment: Received from 2584 by 35176), stating that the publication was receiving extensive distribution in Austria and that US intelligence was interested in knowing the antecedents of the publication. STAUFFER stated that the publication was known to him and the SAD as a newsletter type publication being put out independently by one Hans SCHWARZ of Zeemis, Switzerland, who was apparently receiving financial support from "big business, i.e. industrialists and bankers" who are providing large sums to influence public opinion. STAUFFER indicated that the SAD was not connected with SCHWARZ or his publication and that the SAD regarded SCHWARZ with disdain as a neophyte and "farmer". STAUFFER stated that the pen name "Victor" listed in the DIA indicates HUNYADY Dr. was a Hungarian refugee residing in IF Camp Reutte, near Innsbruck, [illegible] STAUFFER had visited on his last trip to Austria (4 March 1951). STAUFFER also indicated that HUNYADY was closely associated with FUKOTSELKEN Dr. (fnu), a former resident of the Reutte Camp and recently (5 March 1951) departed for Australia.

4. At 1340 hours, STAUFFER, Agent ETTINGER, and 35176 departed for the luncheon engagement and arrived at the restaurant where they were greeted by ARNER and Capt. MARTY. During the course of the luncheon, which lasted until approximately 1430 hours, discussion revolved around the information turned over to STAUFFER; the turnover of the material to STAUFFER was received with pleasure by ARNER and MARTY. In the course of the discussion Agent ETTINGER and 35176 pressed the desirability of

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the SAD advising the intelligence of the identities of their sources in Austria in order to establish their reliability and to prevent duplication and deception; this suggestion was favorably received and it was stated that STAUFFER in the future would be in a position to disclose identities of individual sources. (Comment: While the SAD seems to receive information from sources in Austria, their knowledge as to their actual identities and modus operandi seems to be nebulous.) Capt MARTY then advanced the proposition of exchanging information concerning Soviet satellite troop strength, etc. At this juncture Agent ETTINGER indicated to Capt MARTY that neither he nor 35176 were competent to this matter. However, Agent ETTINGER would present this request to his superiors indicating that if exchange of information on these matters was approved MARTY could be brought in contact with a specialist in these matters. The luncheon was concluded on a very friendly note with ARBER stating that he, as well as his colleagues, were extremely pleased with developments thus far and expressed his desire that they be continued. While proceeding on foot to BENZ's office, 35176 walked with ARBER, who accompanied the group for a short distance, and in the course of the conversation ARBER stated that he was employed in an important function in the Swiss government office which is charged with the acquisition and allocation of gasoline and lubricants, including stockpiling for the Swiss armed forces.

5. At approximately 1300 hours 29 March 1951, STAUFFER, Agent ETTINGER and 35176 arrived in BENZ's office, which is located in a building across the street from the Cantonal Police Hqs, Zurich. BENZ's office, located on the 3rd floor (II Stock) is without name or organization designation. At the onset of the meeting BENZ called in and introduced his principal assistant, one TERMINGER Dr. (fnu), who took part in the subsequent discussion. (Comment: STAUFFER later explained that TERMINGER Dr. (fnu) had spent some time in Austrian police circles in Vienna on an exchange basis.) At this time Agent ETTINGER orally elaborated on the requests concerning FLEISCHNER Irene, et al, previously requested by BENZ. (Copies of material verbally relayed to BENZ are attached to this report as Appendix "G". Originals have been photographed and returned to S/A ETTINGER.) Prior to passing the information to BENZ, Agent ETTINGER stated that he had learned that as yet undisclosed Swiss agency had previously requested the information of the Austrian Police. BENZ then sheepishly admitted that actually he had requested the information from the Austrian police in Vienna but as yet had not received a reply. Agent ETTINGER then pointed out that for future reference it might be advisable to inform US authorities of such prior requests so as to minimize any possible compromise of existing connections. BENZ readily agreed. In the course of a subsequent discussion of FLEISCHNER et al., BENZ and TERMINGER stated that FLEISCHNER had in the meantime been deported from Switzerland and that NOVIDOR has been identified as FREIDMANN Juda, born 24 February 1907 in Czechoslovakia, the NOVIDOR identity is assumed to be an alias. FREIDMANN is suspected by the Swiss to be in contact with INTRAC, Soviet Commercial firm in Vienna.

6. At this juncture, STAUFFER produced the information received earlier from Agent ETTINGER and 35176, which was then scrutinized by BENZ and TERMINGER. TERMINGER commented on the apparent age of some of the material, stating that the Frei Oesterreichischer Bewegung had been dissolved during 1949 and indicated that allegations concerning personalities without personal details, age, address, personal description, etc., are of little or no value. The discussion was continued by BENZ stating the interest of his office had in East-West trade. He pointed out that if information regarding Swiss middlemen for the Soviets were in their possession, active and positive steps could be taken in Switzerland to prevent critical items from finding their way behind the Iron Curtain. He pointed out that personal details concerning INTRAC individuals and their modus operandi would be of great value. At this time

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BENZ professed that in the past he had received some telephone intercepts, source unspecified, detailing conversations between INTRAC personalities and Swiss officials, but these intercepts were always too outdated to be of any immediate value. BENZ requested that, when possible, he be provided with current information concerning INTRAC, possibly to include intercepts. Agent [illegible] indicated that the request would be referred to his superiors for their consideration. This meeting also ended on a very friendly note with BENZ expressing sentiments similar to those expressed by [illegible] previously.

7. After the meeting STAUFFER, Agent [illegible] and 35176 proceeded to a coffee house where a general discussion took place. STAUFFER then excused himself to contact [illegible] via telephone to inform him of the immediate departure of Agent [illegible] and 35176 precluding their meeting him in Basel. After talking to [illegible], STAUFFER returned and stated that [illegible] regretted very much not being able to meet as planned. [illegible] expressed the desire to accompany STAUFFER to Salzburg on the occasion of the next meeting. Agent [illegible] and 35176 indicated their interest in making [illegible]'s acquaintance and accordingly were arranged to take place in Salzburg on 27 April 1951. The meeting, as agreed, would be confirmed priorily by an exchange of telegrams. STAUFFER inquired as to the possibilities of procurement of RR tickets for the trip in Austria for his wife, [illegible] and himself, making for a a considerable saving in cash possible. STAUFFER then accompanied Agent [illegible] and 35176 to the RR station; departure was at 1935 hours.

COMMENTS

8. It is the opinion of Agent [illegible] and 35176 that developments in subject project to date have indicated that Swiss contacts seem to be very pleased with the fact that they have succeeded in establishing a bona-fide contact with US intelligence. Their apparent willingness to act upon information received and to possibly prevent business transactions which might be inimical to the interests of the US and Swiss Governments should be taken into consideration. It is recommended that existing contacts be continued, intensified, and expanded.

9. It is further recommended that information received to date from Swiss contacts be disseminated for evaluation to serve as a basis for future requests and negotiations.

10. Of immediate interest attention is invited to duplication of materials received from Swiss contacts and submitted via Appendix "B" (cf. Para 3., b., this report) and a report (copy attached as Appendix "H") recently received by this Field Unit from Project "Grand Rapids". It is noted that 2884 of the aforementioned Project apparently knowingly maintains contact with the Swiss either directly or indirectly.

11. The Swiss telephone book, Zu, 1948/49, lists the following pertinent information:

Page 336 - [illegible] Hermann Lot. b.d. Kant'pol. Beckhammer 7, 26 60 60

Page 351 - Polizeikommando Kasernenstr. 29 Polizeikaserne 27 01 10
Nachrichtendienst (polit. Abtlg. d. Kanton'pol.)
Kasernenstr. 25, 26 27 77 wenn keine Antwort 27 01 10

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[illegible] DOCUMENT NO. PAS-A-402

SUBJECT: Irene FLEISCHER; Harald DIAMONT; Suspected Foreign Agents

SOURCE: [redacted]

DATE OF INFO: January 1951

COMMENT: The following information was excerpted by N. S. Landsser from police reports prepared by the Vorarlberg and Upper Austria Security Directorates. Copies of these reports were sent to [redacted]

1. According to a confidential communication from a Swiss police officer to the Vorarlberg Security Directorate, one Irene FLEISCHER, nee STERN, holding Austrian passport 513-168, issued on 28 September 1950 in Linz, was arrested in Switzerland for illegal intelligence activities on behalf of a foreign power. According to the Swiss police, FLEISCHER is the sister of one Hans SCHANZLER, born 8 June 1916 in Vienna, and it is believed that she obtained her Austrian passport on the basis of forged documents. In Switzerland, FLEISCHER was in contact with one Harald DIAMONT, probably of Austrian nationality.

2. Investigation by the Linz police revealed that one Irene FLEISCHER, nee STERN, born 7 January 1919 in Emain, CSR, Austrian citizen, had in fact obtained passport 513-168 on the basis of a marriage certificate and a residence permit. Her permanent residence having been Vienna XVIII, Atzbergerstrasse 2, it appears that she came to Linz merely for the purpose of obtaining an Austrian passport. Regarding Harald DIAMONT, the Linz police believe that he is identical with Heinrich DIAMANT, born 20 May 1922 in Spodlee, District Warnsdorf, stateless, who resided in Linz, Siedlung 64 until April 1949. In January 1949, DIAMANT was arrested for blackmarketing and handed over to CIC custody. He had previously been arrested in Vorarlberg for illegal possession of arms and sentenced to two years in prison.

3. Regarding the Hans SCHANZLER, mentioned in the Swiss police report, investigation by the Feldkirch police revealed that one Hans SCHANZLER, born 8 July 1916 in Vienna, band-leader, married to Helene nee KLEWET, born 8 July 1922 in Ryne, CSR, is at present living in Feldkirch, Liechtensteinerstrasse 17. SCHANZLER has separated from his wife and lives with one Sophie SCHWARZ, born 9 February 1923 in Johnsdorf, Styria. The Feldkirch police learned of a remark made by SCHWARZ to the effect that Hans SCHANZLER is a spy and has a sister working in a ministry in Prague. This allegation could not be proven, nor could it be established whether SCHANZLER is in fact the brother of Irene FLEISCHER, arrested by the Swiss police.

[illegible] COPY

2. It is very doubtful that either Detachment 35 or GIC will be able to maintain the STAUFFER contact much longer because G-3 refuses to allow them to trade current intelligence material with the SAD. The material passed this time consisted of reports on the Austrian Communist Party, originating from Josef Adolf [illegible] complex, which is at least two years old and which is known to have been peddled to all western intelligence agencies. This kind of material will not be acceptable indefinitely to the Swiss. It is therefore imperative that if the STAUFFER contact is to be taken up by the [ ] Station that the transfer take place fairly soon. A suggested method would be to have a [ ] case officer appear at the next meeting (or a subsequent meeting) as a colleague of Jack KEIRLER of Detachment 35. It may be possible in this manner for a long time to keep the SAD from realizing that their contact is run from Switzerland.

EXTRACTED FROM
MASA-402 (11 APR 51)